

Republika Srpska: EIB 25MEUR loan for DSO network modernization, modernization of equipment

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Date : September 11, 2013

"Electric Power Industry of Republika Srpska" (ERS) enters into the investment project for the maintenance, modernization and expansion of DSO electricity network, which they plan to finance by loan from the European Investment Bank (EIB) in the amount of EUR 25 million.

After the Council of Ministers of BiH appointed the delegation for negotiations with the EIB, in Management of ERS specified that the loan should be funding the construction and reconstruction of electric power distribution facilities in the medium and low voltage.

As stated, the goal of implementation of projects is the creation of technical preconditions for the safe and efficient supply of consumers in the RS, in the manner required by the General Conditions for delivery and electricity supply, and also distribution network rules which are regulating facility and method of power distribution networks in the power system.

It is anticipated that the EIB loan will pay off up to five installments in individual amounts of less than EUR 5 million. Repayment of the loan is 25 years, including a four-year grace period, at an interest rate that will be agreed upon prior to the disbursement of tranches.

Milorad Zivkovic, Director of Project Implementation of ERS said for the loans applied three power distribution companies - DSOs "Elektrokrajina" Luka, "Elektrobijeljina" and "Elektrodistribucija" Pale.

- The other two companies ("Elektrodoj" and "Elektrohercegovina") have not participated with the requirements for the loan, believing that they will be able to implement these obligations from its own funds - says Zivkovic.

He points out that the said investment in the project, whose completion is scheduled by the end of 2016, will contribute to the reduction of distribution losses, which for the first seven months of this year at the system level averaged 13.67%.

In "Elektrokrajina", the largest electricity supply company in the RS, say that they applied to the EIB for 15 million euros.

- The project is just at the beginning, and because of that we have not yet nominated specific objects that will be covered with it. Start of implementation is expected next year - said Seka Kuzmanovic, director of the company.

She notes that "Elektrokrajina" simultaneously conducts another project too, worth 10 million euros, which is in the process of tender selection of suppliers. It is the repair of medium voltage system (lines and substations), development of measurement sites and

implementation of remote reading of electricity consumption of customers, which will be financed by the loan of Investment-Development Bank.

With this project three operating units will be comprised with the largest distribution losses - Prijedor, Mrkonjic City and Laktaši with 100 substation areas and 12,000 customers.

In "Elektrokrajina" this year have already been implemented multi-million investment in the construction, rehabilitation and introduction of remote load power consumption. For the first seven months, a total of 3883 electric meters for reading of for electricity consumption were installed, with a plan that until the end of 2013 the project which started three years ago is completed, with the installation of a total of 23,000 electric meters.

- Remote control of power consumption will not only reduce distribution losses, but also the cost of hiring workers in the field - highlighted the in the "Elektrokrajina."

Source; Serbia Energy See desk/ERS